

BALAJI TELEFILMS LIMITED

Results for the Quarter ended September 30, 2010

A. Financial Highlights

1. Results comparison of Quarter II ended September 30, 2010 with June 30, 2010

- Income from operations increased by 24% from Rs. 3070 Lacs to Rs. 3808 Lacs;
- In the present quarter the company suffered a operating loss of Rs.515 Lacs from a Operating Loss of Rs. 266 Lacs this is due to,
 - a) Launch expenses incurred on new shows in the commissioned category on Star Plus, Star One and Imagine,
 - b) Higher G&A Expenses by Rs.206 Lacs,
 - c) Increase in depreciation by Rs.63 Lacs on account of new sets constructed for new shows,
- Profit after tax reduced from a profit of Rs. 293 Lacs to a loss of Rs. 640 Lacs on account of reduction in Income from investments & other income from Rs.824 Lacs to Rs.158 Lacs

2. Results comparison of quarter ended September 30, 2010 with quarter ended Sept 30, 2009

- Income from operations decreased by 6% from Rs. 4062 Lacs to Rs. 3808 Lacs;
- In the present quarter the company suffered a operating loss of Rs.515 Lacs from a Operating loss of Rs. 190 Lacs this is due to;
 - a) Decrease in the Income from operations by 6% due to reduction in the hours telecasted in the commissioned category from 209 hrs to 159 hrs – HSM Category;
 - b) Launch expenses of new business of Education & New Media Divisions to the tune of Rs.274 Lacs,
 - c) Initial launch expenses incurred on new shows in the commissioned category on Star Plus, Star One and Imagine TV,
 - d) Increase in depreciation by Rs.90 Lacs on account of new sets constructed for new shows,
- Profit after tax reduced from a profit of Rs 102 Lacs to a loss of Rs. 640 Lacs.

3. Results for the Quarter ended Sept 30, 2010

(Rupees in Lacs except per share data)

Particulars	Quarter ended		Growth wrt prev Qtr	Quarter ended		Growth wrt prev Yr Qtr
	Sept,30, 10	Jun,30, 10		Sept,30, 10	Sept,30, 09	
NET SALES	3,808	3,070	24%	3,808	4,062	-6%
OTHER OPERATING INCOME	8	15	-50%	8	7	14%
TOTAL EXPENDITURE	4,331	3,351	29%	4,331	4,258	2%
EBIDTA	(515)	(266)	93%	(515)	(190)	171%
Depreciation	365	302	21%	365	275	33%
OPERATING PROFIT AFTER DEPRECIATION	(879)	(569)	55%	(879)	(465)	89%
Other Income	158	824	-81%	158	530	-70%
PROFIT BEFORE TAX	(721)	255	-383%	(721)	65	-1206%
Provision for Taxation	(81)	(38)	113%	(81)	(37)	118%
NET PROFIT AFTER TAX	(640)	293	-318%	(640)	102	-726%
EARNINGS PER SHARE (FV Rupees 2)	(0.98)	0.45	-318%	(0.98)	0.16	-726%
KEY RATIOS						
Operating Margin (%)	-13.52%	-8.67%	55.93%	-13.52%	-4.67%	189.49%
Net Profit Margin (%)	-16.81%	9.55%	-276.10%	-16.81%	2.52%	-767.50%

A) For Quarter Ended Sept 30, 2010 V/s Quarter ended June 30,2010

- Realization per hour from Commissioned programming (HSM) increased from Rs. 18 Lacs in the previous qtr to Rs. 19 Lacs;
- Realization per hour from Sponsored programming reduced from Rs. 3.9 Lacs in the previous qtr to Rs. 3.5 Lacs;
- Hours of Commissioned programs increased by 8% from 147 hours in previous qtr to 159 hours,
- Hours of Sponsored programs increased by 35% from 118 hours in previous qtr to 159 hours;

B) For Quarter Ended Sept 30, 2010 V/s Quarter ended Sept 30,2009

- Realization per hour from Commissioned programming (HSM) increased from Rs. 16 Lacs in the previous year quarter to Rs. 19 Lacs;
- Realization per hour from Sponsored programming reduced from Rs. 3.63 Lacs in the previous year quarter to Rs. 3.53 Lacs;
- Hours of Commissioned programs (HSM) reduced by 24% from 209 hours in Q2 '09 to 159 hours,
- Hours of Sponsored programs decreased by 16% from 185 hours in Q2 '09 to 159 hours;

C) SHOW REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2010						
A: EXISTING SHOWS						
1 Hindi Speaking Market - Commissioned						
	SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE	
	PAVITRA RISHTAA	ZEE TV	9.00pm - 9.30pm	0:30	5 times a Week	
	BANDINI	IMAGINE	10.30pm - 11.00pm	0:30	5 times a Week	
	TERE LIYE	STAR PLUS	10.00pm - 10.30pm	0:30	5 times a Week	
	SARVA GUNNA SAMPANNA	IMAGINE	8.00pm-8.30pm	0:30	5 times a Week	
2 Regional						
a) Marathi Speaking Market - Commissioned						
	SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE	
	MAZIYA PRIYALA PRIT KALENA	ZEE MARATHI	8.00pm-8.30pm	0:30	6 times a Week	
b) South Market - Sponsored						
	SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE	
	Kalyani	Udaya TV	6.00pm-6.30pm	0:30	5 times a Week	
	Kasturi	SUN TV	11.30am-12.00pm	0:30	5 times a Week	
	Subhankanshalu	Gemini	6.00pm-6.30pm	0:30	5 times a Week	
	Kaliyuga Ramayanam	Gemini	10.00 pm-10.30pm	0:30	5 times a Week	
	Kotha Bangaram	Gemini	7.00pm-7.30pm	0:30	5 times a Week	
B: CHANGES DURING THE QUARTER						
	SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE	OFF AIR
	BAIRI PIYA	COLOURS	8.30pm-9.00pm	0:30	5 times a Week	3rd Sept 10
C: NEW UPCOMING SHOWS						
	SERIAL	CHANNEL		DURATION	SCHEDULE	
	1 PYAAR KII YE EK KAHAANI	STAR ONE		0:30	5 times a Week	
	2 KITANI MOHABBAT HAI	Imagine TV		0:30	5 times a Week	

D) Other Highlights

- Pavitra Rishtaa a Hindi TV Show Telecasted on Zee TV Channel has retained the top ratings across the Hindi Speaking market and Tere Liye a Hindi TV Show launched on Star TV Channel has also established as a top show in the HSM Category,
- During the quarter the company did a special Ganapati Event for Zee TV and has done another event for Star TV in QIII,
- Companies maiden new show in the Marathi segment “Maziya Priyala Prit Kalena” on Zee Marathi achieved the no. 1 rating in the TAM ratings and has been awarded maximum number of awards at the Zee Marathi awards, 8 out of the 19 categories.
- As part of its ongoing efforts to diversify new businesses,
 - 1) **New Media Division** has taken steps ahead and has developed further content in the Internet & Mobile space which is now active with the most of the Telecom operators,
 - Hoonur has developed a prospective data base of 1.19 Lac plus profiles
 - Hoonur TV platform is in a advanced development stage.

In the present quarter the company has invested Rs.144 Lacs in the New Media Business

2) **Education Division** is the new venture of the company which offers a wide spread curriculum in various facets of media under the brand name “**ICE - Institute of Creative Excellence**” to train aspirants into media professionals. ICE has gone operational in its flagship centre in Mumbai & has set up regional offices in cities of Delhi, Calcutta & Hyderabad. ICE 1st batch started from 20th September 2010. Company has invested in ICE a total a sum of Rs. 500 Lacs wherein Rs.370 Lacs has been spent in setting up the new centre for ICE in Mumbai which includes state of art equipments & leasehold improvements.

Management discussion and analysis on Financial Results of the Company for the Quarter ended Sept 30, 2010
1. Revenues

The Company recorded income from operations in the quarter of Rs. 3808 Lacs as compared to Rs. 4061 Lacs for the quarter ended 30th Sept, 2009. Revenue contribution from Commissioned programming (HSM) was Rs.2980 Lacs against Rs. 3393 Lacs for quarter ended September 30 2009, while that of Sponsored programming was Rs. 562 Lacs as against Rs. 675 Lacs in the same period. The share of commissioned programming in the revenues during the quarter was 85% while that of sponsored programming was 15%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended September 30, 2010, is as follows:

Show Type	Revenue for Q Ending (Rupees in Lacs)			Percentage		
	Sep-10	Jun-30	Sept 30'09	Sep-10	Jun-30	Sept 30'09
Commissioned (HSM)*	2,980	2,604	3,387	84%	85%	83%
Sponsored	562	466	675	16%	15%	17%
Total	3,542	3,070	4,062	100%	100%	100%

(* Excludes the Marathi Segment & Event Business)

2. Operational
A. Content for TV Channel - Programming Mix

Commissioned & Sponsored Programs

The hour-wise programming distribution during the quarters ended Sept 30, 2010 as compared to previous year and quarter is as follows:

Show Type	Hours for Q Ending			Percentage		
	Sep-10	Jun-30	Sept 30'09	Sep-10	Jun-30	Sept 30'09
Commissioned*	158.5	147	208.5	50%	55%	53%
Sponsored	159	118	185	50%	45%	47%
Total	317.5	265	393.5	100%	100%	100%

(* Excludes the Marathi Segment & Event Business)

3. Other Income

The Other Income during the quarter reduced to Rs. 158 Lacs in Q2 from Rs. 824 Lacs in Q1 and Rs. 530 Lacs in the previous year quarter ended Sept 30,2009.

4. Gross Block

The Company's fixed assets stood at Rs. 8648 Lacs as on Sept 30, 2010, This includes investment in,

- a state-of-the art studios, cameras & equipments,
- land at Mira Road

5. Investments

As on Sept 30, 2010, the Company's total investments were at Rs. 21903 Lacs including Rs.3000 Lacs invested in wholly owned subsidiary – Balaji Motion Pictures Ltd. Out of the above, Rs.18903 Lacs was invested in units of mutual funds as compared to Rs.18792 Lacs as on June 30, 2010.

6. Debtors

The Company's debtors (in days of income) are at 128 days as on Sept 30, 2010 as compared to 107 days as on June 30, 2010.

7. Loans and advances

Loans and advances have decreased from Rs 8224 Lacs to Rs 7026 Lacs as on Sept 30, 2010 as compared to the previous quarter. The Company's principal loans and advances comprised,

- a) Loan to the Subsidiary Balaji Motion Pictures Ltd. of Rs.2407 Lacs ,
- b) Loan to the Balaji Employees foundation of Rs.1000 Lacs, &
- c) Lease deposits for offices / studios Rs.1036 Lacs.
- d) Advance Tax of Rs.1670 Lacs

8. Operations of the Subsidiary – Balaji Motion Pictures Ltd.

The last quarter was extremely eventful for Balaji Motion Pictures, with 'Once Upon A Time in Mumbai' a home production had a successful release and a number of projects getting approved and ready for production, under production films getting completed or nearing completion. BMPL is positioned to be a forward-looking business and is operating under a motion pictures studio model that will function seamlessly across the value chain.

A) Releases during the Year:

'Once Upon A Time in Mumbai' a home production has completed production had a successful release across India and abroad on 30th July, 2010. Film got a tremendous response from the Box office with packed houses across India. Film was a 3rd biggest grosser of the season.

"Shor", by DK & Raj, directors of the very successful "99", is in its final stages of completion and is slated to release in Quarter IV. It is an international crossover film, it stars Tusshar Kapoor & Sendhil Ramamurthy, the star of the hit NBC show Heroes

Company has also forayed into regional cinema with its maiden Marathi film scheduled for release in the last quarter of the fiscal year.

The team has also commenced a number of other projects with renowned directors in the quarter, and films are slated to go for production in the Quarter III & IV.

For further information on results, please contact us on following nos.:

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Safe Harbor

Certain statements in this update concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The achievement of such results is subject to risks, uncertainties and even inaccurate assumptions. Readers may please take a note of this.